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Industrial Horizons



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News Publication — Montana State Planning Board

Wood Industry's Long-Term Outlook Bright

Bolstering the State Planning Board's opinion that some of Montana's most significant development potentials are to be found in the forest industries is a recent U. S. Forest Service report on "Market Prospects for Mountain States Timber."

Published in June, 1957. Research Paper No. 50, by S. Blair Hutchison, Forestry Economist with the Forest Service's Intermountain Forest and Range Experiment Station at Ogden, Utah, points to the conclusion that it will be impossible for the nation to have adequate wood supplies within the remainder of this century "without drawing heavily on Mountain States timber."

Reasons for Optimism

In arriving at his conclusion that "there is every reason for optimism," Hutchison systematically relates the regional outlook to the nation's situation. By way of summary, here, in paraphrased form, are the main conclusions:

- The nation's population is expected to be 200 million by 1975 and will be 300 million, nearly double the present level, by the year 2000.
- During the same period per capita consumption levels or real incomes will continue to increase; therefore, national output of goods will increase more rapidly than population.
- This means the already heavy load on natural resources will increase.
- Because of these dynamic conditions, wood needs will increase, too. The country will be using 17 to 30 per cent more wood in 1975 than was consumed in 1952, and 48 to 80 per cent more in 2000. More houses will be built, more paper used.
- There is no excess of growing capacity in the United States, and a growing need for Rocky Mountain timber is already being foreshadowed by supply problems in other timber regions.
- Changing population patterns are also bringing markets closer to Rocky Mountain timber areas.
- Liquidation of West Coast virgin timber with a resultant shift to second-growth supplies tends to lessen that area's competitive advantage from a quality standpoint.
- The Mountain States have the kind of timber which will be in shortest supply, including both saw timber and pulpable woods.

There is little room for disagreement with Hutchison's look into the future. As he points out in the closing portion of his paper, "It is hardly a prediction that expansion will take place, because several plants are already being constructed and others are planned." Recent occurrences in Montana, along with other areas of the

MSU AND SPB TO CO-SPONSOR SECOND STATE-WIDE DEVELOPMENT CONFERENCE

Montana's Second Community Development Conference will be held at the Finlen Hotel in Butte on January 23-24, according to the State Planning Board and Montana State University, co-sponsors of the event.

The conference will have nationally-known speakers on several aspects of economic development.

Speaker at the Governor's Banquet will be Dr. Randall Klemme, Director of Research and Development for Northern Natural Gas Company in Omaha. Dr. Klemme is former Director of the Oklahoma Department of Commerce and Industry, which has a successful program to help smaller towns develop industry. Their program has been especially geared to communities with an agricultural base seeking to increase nonagricultural employment. Dr. Klemme was also Vice President of Oklahoma State University and was connected with a Ford Foundation foreign aid program in Pakistan.

Another nationally-known speaker will be Stuart Parry Walsh, Director of Industrial Planning Associates in San Francisco. Mr. Walsh will draw on his wide experience as a private consultant on economic development problems to tell what communities all over the country are doing to increase employment.

The conference's opening speaker will be John Abrahamson, Assistant Chief, State and Community Assistance Division, Office of Area Development of the U. S. Department of Commerce. Mr. Abrahamson will be remembered by many Montanans as a former economist

with the Bureau of Reclamation in Billings. He will talk on "Dynamics of Economic Development."

Community Planning Theme

Theme of the conference will be community planning as a basis for industrial development. Five sessions will be held. Thursday's afternoon session will feature talks and discussions designed to "set the stage"—review problems and progress in Montana's economic development. Participants will include MSU and state officials.

The Governor's Banquet will be the feature of Thursday evening's session. Speakers will include Dr. Klemme and R. C. Setterstrom of Butte.

Friday morning's sessions will feature several Montanans discussing "Preparation for Industry." MSU experts will join citizens from all over the state who have instituted successful industrial development programs. They will discuss the hows and whys of conducting industrial surveys and forming industrial development organizations.

Friday's luncheon will feature Mr. Walsh. The final session, on Friday afternoon, will be directed to "Community Planning and Improvement." Experiences of successful city planning programs in Montana will be related. Dr. R. R. Renne, President of Montana State College, will summarize the conference.

First Conference Well Attended

The state's First Community Development Conference was held in Helena in April of 1956 and was sponsored by the State Planning Board. Over 200 persons attended, representing Montana industry, city and county governments, and public and private development groups. The conference was extremely successful, according to participants, and stimulated active programs in many of the state's communities.

The Second Conference will be co-sponsored by the State Planning Board and MSU, with the University's Bureau of Business and Economic Research and Bureau of Government Research assuming special responsibility. Co-chairmen are Perry Roys, Director of the State Planning Board, and Dr. Edward J. Chambers, Associate Director of the Bureau of Business and Economic Research.

Further details and application forms will be distributed in the January **INDUSTRIAL HORIZONS** and by other media. In the meantime, all persons interested in economic development and city planning should mark January 23-24 on their calendars.

According to MACOM, the monthly news bulletin of the Montana Association of Commercial Organization Managers, the Business and Industrial Development Committee of the Anaconda Chamber of Commerce has recommended the immediate establishment of an Industrial Development Corporation. This is one of the most effective ways to begin an industrial development program.

Mountain States, support this statement. The State Planning Board feels the analysis is also a forecast of future unannounced developments.

New Areas of Potential

Montana's wood resources are still a basis for expansion. For instance, the timber industry on the eastern slope of the Continental Divide is still in its infancy; the Big Hole area, with a "woodpile" as big as the productive Coeur d'Alenes in Idaho, is almost totally undeveloped; and immense quantities of pulpable wood heretofore unused throughout the state's timber producing areas are just now becoming of economic significance.

Because of such considerations, the long-range future for Montana's wood products industry is extremely favorable.

Industrial Parks Important for Communities . . .

Industrial parks (or organized industrial districts) are fast becoming one of the most important parts of community industrial development programs, especially for growing cities, having prospects for several new industries.

An industrial park is not merely land suitable for industrial use. It is a planned tract, with streets, rail spurs and utilities installed before sites are sold to prospective occupants.

Many industries today prefer to locate in such a well-developed tract. They want to be in a district zoned for industry, on land best suited for industrial use. They want room for future expansion, since the trend is toward one-story plants with adequate parking space. Furthermore, management, especially small business, wants to be spared the problems and delay attendant upon finding and developing unimproved sites and in arranging for facilities.

By locating in a planned industrial district, a manufacturer or distributor can be assured that needed facilities and conveniences will be there when he moves in, and that he will not be faced with zoning problems.

A Better Town Results

The community benefits from planned industrial districts, too. Communities which have set aside industry-zoned tracts of land are sure to be in a favored position when competing with other communities for industrial prospects, according to plant location experts.

By developing a relatively large parcel of land all at once, the community can segregate industries, both manufacturing and wholesaling, into desirable locations. Property values on both industrial and residential property will be maintained at their highest levels. Further, the cost of extending utilities to scattered fringe areas will be minimized.

By controlling the area through zoning and restrictive covenants, better and more stable firms can be attracted to the community. Control of architectural design results in esthetically pleasing plants—a better looking community.

In addition, off-street parking and loading-dock requirements will aid in maintaining uncongested freight movement through the area.

Part of City Planning Program

Thus, it may be seen that developing an industrial park is related to city planning. Where to locate the park, what its future space requirements will be, keeping good industrial sites for industry—all these problems are part of a comprehensive city planning program.

Organizing an industrial park is a good way for a community to attract new industry.

A strong industrial committee of the local Chamber of Commerce, a "Committee of 100," or some similar organization is most often used as a nucleus for the specialized task of developing the planned area. Functional subcommittees might include:

1. **Planning committee** to determine the need for a planned industrial district, and to sell the idea of the district to the rest of the community.
2. **Finance Committee** to raise the necessary investment capital among local citizens.

3. **Physical Requirements Committee** to determine the best location for the park; quietly take options on choice sites to avoid later land speculation; prepare a comprehensive layout plan after the site is selected, and to supervise the grading, installation of utilities, rail facilities and street layout.

4. **Legal Committee** to draft articles of incorporation for the community organization which will own the park; aid the Planning Committee in writing protective covenants to control the district for industrial use of the desired kind; see that the area is properly zoned and help local officials to change zoning ordinances where deemed necessary; and to handle purchase agreements, leases, etc.

In addition to industrial foundations, usually formed under the guidance of a Chamber of Commerce, other agencies in the community have stepped forward to

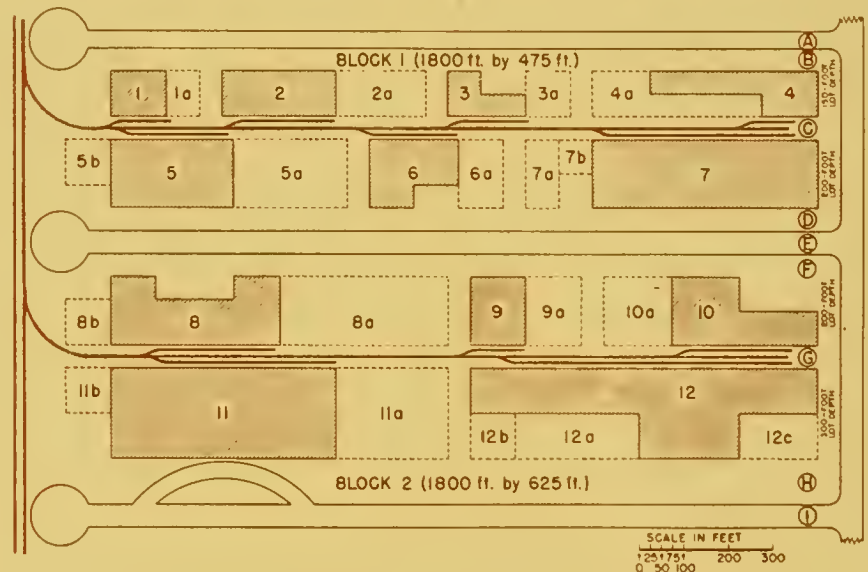
push the development of industrial parks. These have included municipal or county governments, development commissions, city-county planning boards, and airport authorities.

There are several ways of assuring that industrial parks will attract desirable industries, and thus meet the function for which they are formed.

Zoning

Most important of these is industrial zoning. According to the National Industrial Zoning Committee, "Zoning controls are basic tools in the reservation of space for industry, guidance of industrial location into a desirable pattern, and provision of related facilities and areas needed for a convenient and balanced economy." Zoning on a community-wide basis can assure that desirable land near railroads and truck routes will be saved for industry.

An important part of modern zoning ordinances is "performance standards." Standards are set up, and any industry meeting those standards is allowed to locate there. Most of the industrial parks around the country incorporate performance standards. Eleven categories of performance have been listed by NIZC: noise, smoke, odor, dust and dirt, noxious gases, glare and heat, fire hazards, indus-



A Well-Designed Industrial Park

Key to Road Widths, Rail Easements and Setbacks: A. 40-foot road with cul-de-sac. B. 50-foot building setback requirement. C. 53-foot rail easement. D. 50-foot building setback requirement. E. 50-foot road with cul-de-sac. F. 50-foot building setback requirement. G. 53-foot rail easement. H. 100-foot building setback requirement. I. 50-foot road with cul-de-sac.

Key to Plant Size, Parking and Loading Docks: 1. Plant: 12,500 sq. ft. 1a. Parking: 24 cars. 2. Plant: 25,000 sq. ft. 2a. Parking: 64 cars. 3. Plant: 12,500 sq. ft. 3a. Parking: 32 cars. 4. Plant: 25,000 sq. ft. 4a. Parking: 80 cars. 5. Plant: 41,250 sq. ft. 5a. Parking: 120 cars. 5b. Loading dock and apron: 7 tractor-trailers. 6. Plant: 25,000 sq. ft. 6a. Parking: 48 cars. 7. Plant: 75,000 sq. ft. 7a. Parking: 36 cars. 7b. Truck docks. 8. Plant: 47,500 sq. ft. 8a. Parking: 180 cars. 8b. Truck docks. 9. Plant: 18,750 sq. ft. 9a. Parking: 60 cars. 10. Plant: 35,625 sq. ft. 10a. Parking: 72 cars. 11. Plant: (warehouse) 100,000 sq. ft. 11a. Parking: 160 cars. 11b. Truck docks and apron. 11c. Customer parking. 12. Plant: 100,000 sq. ft. 12a. Parking: 88 cars. 12b. Truck docks and apron. 12c. Parking: 65 cars.

(Reprinted from *Area Development Bulletin*, June-July, 1957)

trial wastes, transportation and traffic, esthetics, psychological effects. Thus, if a community wants relatively smokeless plants in its industrial park, it should incorporate in its zoning ordinance that only industries emitting less than a certain amount of smoke can build in the park zone.

Restrictive Covenants

Another effective method of controlling industrial parks is through "restrictive covenants," which are incorporated directly into the lease by the owner of the park. Principal restrictions contained in covenants cover setback distances from roads, establishment of building lines, off-street parking and loading requirements, and the types of industries permitted to locate in the district.

For instance, control over location of storage space was exercised in a covenant by the Farmers Branch Industrial District of Dallas as follows:

No materials or supplies shall be stored or permitted to remain on any part of the property outside the buildings constructed thereon. Any finished products or semi-finished products stored on the property outside of said building shall be confined to the rear one-half of the property, but shall in no instance be placed on that side of the building paralleling an existing or proposed street.

Booklet from SPB

A very interesting booklet has been published on the subject of industrial parks, and is available from the State Planning Board in Helena. The title is **Organized Industrial Districts—A Tool for Community Development**, by T. K. Pasma of the Office of Area Development, U. S. Department of Commerce.

Communities pursuing an active industrial development program should secure this booklet.

Montana's Industrial Parks

Montana has many "industrial sites," but only three actual "industrial parks," according to information received by the State Planning Board.

We have a lot of land suitable for industrial use in and around our cities, but very little of it is actually "developed" for immediate occupancy by industry. Our three parks include:

BILLINGS: Billings Industrial Sites, owned by Northern Pacific Railway; 132 acres; restricted to manufacturing and warehousing requiring trackage; contact D. J. Powers, Northern Pacific General Agent, Billings.

BILLINGS: Billings Industrial Park, developed by O. E. Lee and Company, P. O. Box 95, Billings; 100 acres adjacent to proposed interchange of Federal Interstate Highway; rail service by three railroads; "building and use restrictions will be enforced so as to develop a model industrial subdivision;" home of new 75,000 square foot Gamble-Skogmo regional warehouse.

MISSOULA: Missoula Industry Sites, owned by Northern Pacific Railway; 50 acres; restricted to light manufacturing and warehousing requiring trackage. Contact E. J. Spiles, Northern Pacific General Agent, Missoula.

Other Montana communities having undeveloped industrial sites adjacent to utilities include Havre, Bozeman, Butte, Great Falls, Glendive, Sidney, Columbus, Miles City, Helena, Livingston, Lewistown, Glasgow and Anaconda.

WANT TO EXPAND TOURIST TRADE? READ THIS BOOK!

A guidebook designed to help communities boost their income levels and create more jobs by promoting the tourist business is now available, according to Jack Hallowell, State Advertising Director.

The publication, titled **Your Community Can Profit From the Tourist Business**, points out that tourism, because of its phenomenal growth, has become an important national industry and a new medium through which many communities can expand their local economies.

The booklet reveals that tourists in this country, including business travelers, spend annually from \$15 billion to \$20 billion. In 1956 they spent almost twice the retail value of all automobiles manufactured. To get its share of this money, a community does not need multimillion-dollar airports, sun-drenched beaches, or grand canyons.

Tourists Want Relaxation

American tourists are looking primarily for change, comfort, amusement, and pleasant surroundings. They are interested in things with historical backgrounds, such as battle sites, burial grounds, old automobiles, mines, dams, bridges. They like gardens and forest areas, and are drawn by special, community entertainment activities.

If a community develops its tourism potentials to where it attracts a couple of dozen tourists a day throughout the year, that is economically comparable to acquiring a new manufacturing industry with an annual payroll of \$100,000, according to the booklet.

Also, tourist attractions help bring new industries to a community. Industrialists, in selecting plant locations, are seeking for their employees the same kind of "community atmosphere" that appeals to tourists.

This publication concludes that almost all communities have the potentials to attract new tourist business, and outlines in detail the ways and means of going about it. It discusses the manner in which a local tourism promotion committee can organize and operate, and offers suggestions about handling advertising and publicity for the program.

Copies may be obtained for 15 cents each from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. Further information on the opportunities for tourism is available from the State Advertising Office in Helena.

The booklet was prepared by the Office of Area Development of the U. S. Department of Commerce.

The State of Maine has created a Maine Industrial Building Authority, which is authorized to insure mortgages on new industrial buildings. Full faith and credit of the state is pledged, and a bond issue has been approved by the voters. In the words of Fred Clough, Commissioner of the Maine Department of Economic Development, "We hope it will remove somewhat of a roadblock on financing industrial buildings in Maine." Industrial development is a national concern.

WE MUST WORK FOR NON-FARM ACTIVITY

Following is part of a speech given by Dr. R. R. Renne, president of Montana State College, at the Fourth Annual Conference of the Missouri Basin Research and Development Council on October 10, 1957. The speech points up some of the problems involved in assuring that Montana keeps up with the economic growth of the rest of the country. Dr. Renne is a member of the Advisory Council of the State Planning Board.

"The Missouri Basin comprises a sixth of the area of the entire country, but only 15 per cent, or less than one-twentieth of the population. What is more important is the fact that the percentage of the national population living in the Missouri Basin is declining. In 1930 there were 7.5 million people in the Basin, or 6.1 per cent of the total population. By 1980 it is estimated that there will be 9.4 million people living in the Basin, but this will represent only 3.9 per cent of the total population. It should be noted, however, that the 9.4 million people is 1.7 million more than the 1950 census figures, or a 22 per cent increase. This increase will not occur unless some very important developments occur, but even assuming that this increase of nearly a fourth in residents occurs, the proportion of the national population living in the Basin will be less than at any time in recent decades.

"Between 1940 and 1950 approximately one million more people left the Missouri Basin than the number who moved in. This is evidence that employment opportunities in the Basin are less than the average for the country as a whole, or certainly less than some other major regions of the nation. The Basin is primarily agricultural and the need for non-agricultural enterprises to provide more adequate employment opportunities is acute.

"Non-agricultural enterprise development not only requires interested and competent individuals, but it also requires an aggressive attitude among community leaders. Some communities are complacent and some are actually opposed to non-agricultural enterprise development. They think of dirty smokestacks and a great influx of low-class labor which would ruin our recreational and scenic areas, such as fishing streams, from industrial pollution. Moreover, such opponents point to our great distances from industrial centers and our adverse high freight rate differentials. Since the competitive position of the Basin is slipping in terms of the proportion of total population of residents in the Basin, we may find if we are not alert and aggressive that our area will be neglected and we will fall behind the rate of development of the nation as a whole, that our levels of living will decline relative to other major sections of the country, and that our most capable young people will move out for the greater opportunities elsewhere."

Indians Concerned With Industrial Development

An increasing interest is being shown in the problem of economic development on Montana's seven Indian reservations.

INDUSTRIAL HORIZONS had an article in the May, 1957 issue entitled, "Indian Reservations Have Great Industrial Potential." The article pointed out that there is an unemployed labor pool of 10,000 potentially skilled workers here in our Montana Indian population.

Inducements

In addition, there are several very tangible inducements the Indians are able to offer industry, according to K. W. Bergan, State Coordinator of Indian Affairs.

First, a building on tribally-owned land is tax-free.

Second, the Tribal Council can borrow funds from the U. S. Bureau of Indian Affairs to build a building for any industry employing Indians.

Third, the Bureau will pay an industry \$20 per week for each Indian employed for 13 weeks for vocational education. This was the way in which First Americans, Inc., of Lame Deer began.

Fourth, some of the tribes have funds which could be invested in a new industry.

Industrial Development Programs

Several of the tribes are conducting intensive industrial development programs. The Blackfeet have published a booklet, "How Can a Manufacturer Cut Costs?", available either from the State Planning Board or from Iliff McKay, Secretary of the Blackfeet Tribal Council in Browning. In addition, the Blackfeet have employed a full-time industrial development man, Robert LaFromboise. The citizens of Browning are cooperating with the Tribal Council on this program.

The Flatheads already have a certain amount of economic activity established, but they are looking for more. The Tribal Council has started a program to develop the reservation's timber and tourist potential. The area is a center of Montana's Christmas tree industry.

Activity on the Northern Cheyenne Reservation in southeast Montana is concentrated on Henry Burgoyne's First Americans plant. This operation reportedly employs 100 Indians in assembling such products as tie racks, dolls, and religious items. The products are made on subcontract from Eastern manufacturers.

Group Supports Industrialization

The Third Annual Conference on Indian Problems held at Northern Montana College in Havre on November 12 and 13 concluded that economic development

is the best way to approach Indian problems. The conference also resolved:

1. That an economic survey be made immediately upon those Indian areas expressing a desire for such survey.
2. This economic survey to be conducted by the federal government and the State of Montana since benefits will accrue to both the Indians and their neighbors.
3. This economic survey to be conducted by an impartial group, neither an agency of the federal or state government.
4. That the cost of such survey be borne equally by the federal government and the State of Montana.

The Montana Health Planning Council at a regular meeting on October 21 decided to set up a special committee to study the problem of unsafe water supplies and improper sewage disposal facilities in areas adjacent to city limits. Much of the growth in Montana cities is occurring outside city limits. One of the best ways to make sure that suburban areas maintain adequate health standards is by the controls exercised through an official City-County Planning Board.

Plan Now to Attend the
Community Development
Conference, Jan. 23-24.



The new Stramit plant at Havre is building its raw material stockpile, as evidenced by the above picture.

The firm has been producing Stramit, a building board made from wheat straw, for several months, on a test basis, according to B. P. Haley, President of Stramit, Inc. The plant's official dedication was on October 28. Ten men now are employed and more will be added as the plant expands. For each 1,000 board feet of board produced, two tons of straw, 2,000 feet of paper, and 100 pounds of glue (to act as adhesive between the compressed straw and paper covering) are required. One patented machine is in production, and another is en route from Sweden, according to Haley.

Stramit is the result of community action. Under the sponsorship of the Havre Chamber of Commerce, a Havre Development Company was formed. This group made an intensive industrial survey of Havre's potential, which discovered that the Stramit franchise for the U. S. was available.

Perry Roys, Director of the State Planning Board, complimented the new firm thus: "Havre's new Stramit, Inc., is another example of a Montana industry conceived and developed by community effort based upon an abundance of resources and new market opportunities.

"Montana not only has a new industry. It also has the first industry of its kind in the nation."

MONTANA STATE PLANNING BOARD

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